BRAIN INJURY ASSOCIATION OF IOWA

May, 2011

Funding for State Service Delivery Systems

A report per request of Lisa Heddens, ranking members, Health and Human Services Appropriations Subcommittee, Iowa House of Representatives.

State or General Revenue

A few states, including Iowa, Massachusetts and Missouri, created their brain injury programs from state general revenue appropriations. These states use these funds to contract with community providers for a variety of services, as well as to provide neuro-resource facilitation / service coordination to assist individuals in planning for long-term and short-term goals and securing services and supports to meet their needs. Using state funds means that the state has flexibility in defining services, program eligibility and provider qualifications. Over the years, other states have appropriated state funding for specific programs. Last year, the Alaska legislature appropriated general revenue to establish a care coordination program for non-Medicaid eligible Alaskans with TBI.

Some states use general revenue to match other federal programs, such as Medicaid and Vocational Rehabilitation (VR), and for state match for federal grants. In California funding appropriated for the TBI program has been used to match VR federal dollars to provide VR services specific to the needs of TBI. Iowa might consider if using a portion of its brain injury services fund allocation might be used to draw down matching federal funding.

Trust Funds or Dedicated Funding Source

Almost half of the states have passed legislation to assess fees, fines or surcharges to traffic related offenses, which is then dedicated to funding TBI programs and services. The Pennsylvania Catastrophic Medical and Rehabilitation Fund was the first such fund to be established in 1985.

The use of these funds vary greatly and depending on the state, may be used for research, registry, public awareness, family supports, training and an array of rehabilitation and community services. The estimated revenue varies widely for established programs, from less than $1 million to $17 million. The average is between $1 million and $4 million annually (Federal TBI Program's Traumatic Brain Injury Technical Assistance Center at the National Association of State Head Injury Administrators 2006).

Advocates brought a proposal to the Iowa legislature in 2010 to use this method to bring needed revenue to serve and support Iowans with brain injury. However the legislator utilized the revenue proposal to fund the state patrol budget!

Surcharge for Death Certificates/Birth Certificates/divorce and dissolution fees – In some states surcharges are added to various certificates that are collected in a trust fund to be used for certain services, such as children's child abuse prevention and independent living center services.

Medicaid

Title XIX of the Social Security Act of 1965 established the Medicaid program as a jointly funded health care program between the federal and state governments to provide medical assistance to children; individuals who are aged, blind, and/or disabled and people who are eligible to receive federally assisted income maintenance payments. Within broad federal guidelines, each state establishes a State Plan which details eligibility requirements; type, amount, duration, and scope of services; payment rates, quality assurance; and program administration.

In general, the federal Medicaid program mandates that certain services be provided and that additional services, including case management, waiver programs, therapies and rehabilitation, may be offered as optional services. Last year, Alaska enacted legislature establishing targeted case management for individuals with brain injury as a State Plan service for those residing in or transitioning to a community setting. The legislature authorized $1.8 million for these services to complement the state's care coordination program for non-Medicaid eligible individuals.

HCBS Waivers

Section 1915 (c) of the Social Security Act allows states to provide an array of home and community-based services (HCBS) that are in addition to State Plan services to targeted populations or targeted areas of the state. This option, authorized in 1981, waives the requirements that Medicaid benefits have to be available statewide, available to all who need services, and waives community/income resource rules to allow more individuals to be Medicaid eligible. However, the waiver is to be cost neutral, meaning that if individuals did not have community services, they would require more expensive institutional services. Waiver services may include transportation, day treatment, therapies, neurobehavioral services, cognitive rehabilitation, assistive technology, independent life skills training, specialized medical equipment and environmental modifications.

Kansas implemented the first TBI HCBS Model Waiver in 1991, and submitted a regular 1915(c) Waiver in 2004. Since then, almost half of the states have implemented HCBS Waiver programs. Five states have structured waiver services to focus primarily on rehabilitation and community reintegration and have level of care requirements that are more stringent than nursing facility requirements (Hendrickson, et al, 2008). The impetus behind the waivers includes ending expensive out of state placements for some states (e.g. NY and VT) and building service capacity in others. The federal reimbursement is also an incentive for states to develop waiver programs. In 2009, state brain injury waivers spent $475 million, which is 1.4 percent of expenditures for all Medicaid waiver programs (Eiken, et al., 2010).

States also provide HCBS waiver services to individuals with TBI through other waiver programs that states may administer, such as waiver programs for physical disabilities or developmental disabilities.

Federal Economic Stimulus Funds

The California Department of Rehabilitation (DOR) and the State Independent Living Council (SILC) awarded funding made available through the American Recovery and Reinvestment Act of 2009 (ARRA) to develop an outreach and service delivery plan that can be replicated and used by independent living centers (ILCs), public entities, and non-profit agencies throughout California and the Nation. The goal is to increase opportunities for Veterans and other individuals with TBI to live independently and contribute to their communities economically and socially. These funds are pursuant to the ARRA signed into law on February 17, 2009, and are allocated per the priorities stated in the California State Plan for Independent Living (SPIL) for 2008-2010. The amount awarded was $486,923, and is to increase independent living (IL) service capacity and coordinate existing services and programs that assist Veterans and other TBI survivors in California.

Foundation Funding – Blue Cross/Blue Shield Conversion

In Missouri the Missouri Foundation for Health (MFH) was created in 2000 following Blue Cross Blue Shield of Missouri's (BCBSMo) conversion from nonprofit to for-profit status. The assets accumulated by Blue Cross Blue Shield of Missouri (BCBSMo) prior to its conversion established an independent philanthropic foundation. The MFH as part of its Basic Support funding effort, has funded individual agency programs such as the Brain Injury Association of Missouri, Inc., $100,000 for equipment and operational costs for the organization to increase public awareness through education and services to individuals and families; and The Center for Head Injury Services, St. Louis ($72,478) to maintain the organization's efforts to provide durable medical equipment to uninsured individuals in the metropolitan area.

Tobacco Funding Settlement

The 1998 multi-state tobacco settlement has provided funding, of which, a small percentage is being used for smoking cessation programs. Florida's tobacco settlement payments were initially governed by a 1999 law, which allocated the payments to several trust funds, the largest being the Lawton Chiles Endowment Fund for Children and the Elderly. The Florida brain injury program received some funding for housing. Personal care assistance programs, in some states, have also had the benefit of tobacco settlement funding and funding from *lottery* revenue.

For more information contact:
Geoffrey Lauer, Executive Director
Brain Injury Association of Iowa
308 E. Burlington St., #296
Iowa City, IA 52240
319-466-7455 (phone)
800-381-0812 (fax)
glauer@biaia.org
http://www.biaia.org